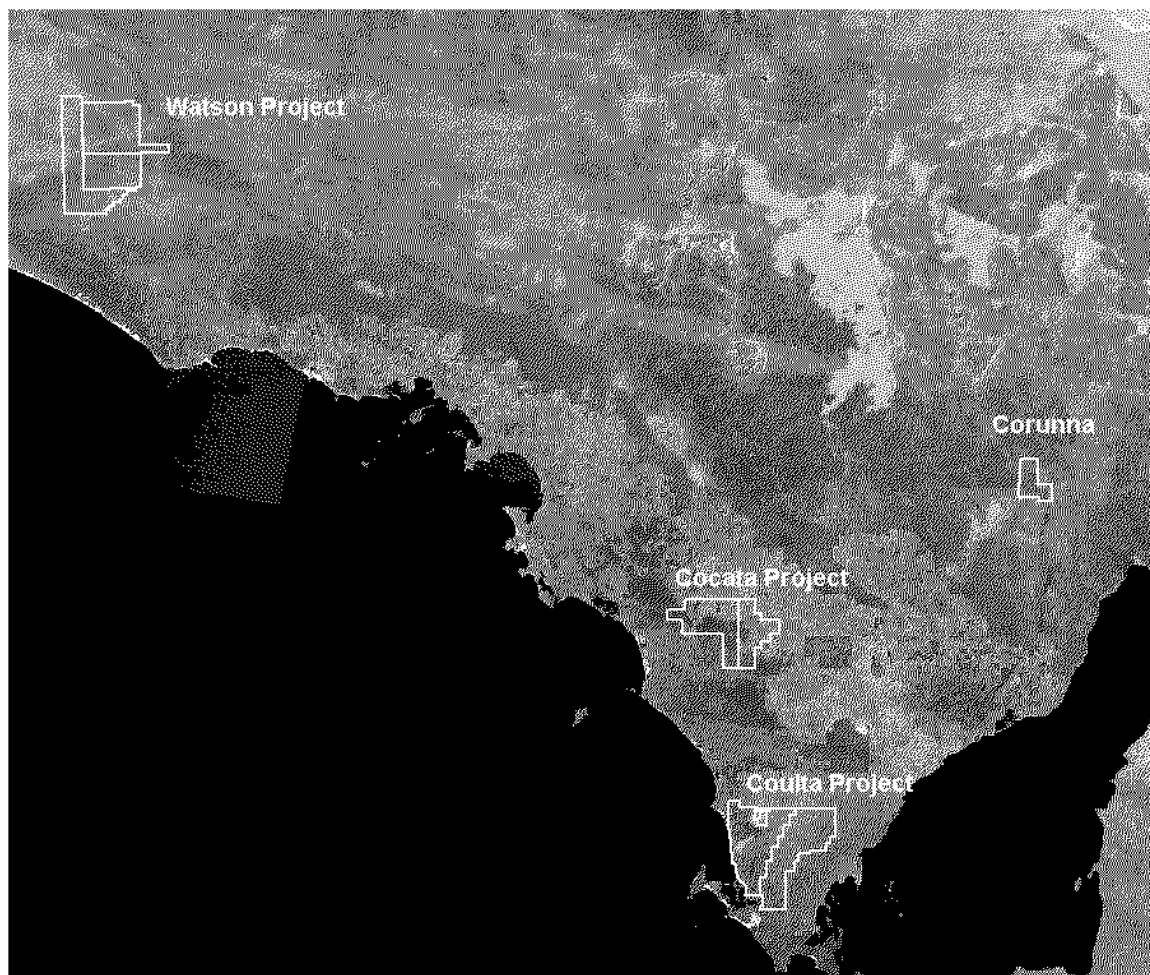


Wednesday 21 February

Uranium Joint Venture and Exploration Update

InterMet Limited (ASX:ITT) has currently approximately 5,860 km² of tenements with uranium potential under joint venture on the highly prospective Gawler Craton. The projects exhibit the key vectors for Palaeochannel hosted uranium and Unconformity related uranium. Drilling at Watson has confirmed significant anomalous uranium within the groundwater. Exploration programmes are underway on all four projects.

Figure 1 shows the location of InterMet's uranium projects and Table 1 summarises InterMet's tenement holdings.



**Figure 1 Location of InterMet's current uranium projects
(non-uranium tenements not shown)**

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InterMet has four project areas under joint venture for uranium exploration, two with Uranium Equities (Watson and Cocata), and one each with Hindmarsh Resources (Corunna – part of InterMet’s Lake Gilles Project) and WCP Uranium (Coulta Project). With the exception of the Corunna joint venture, **InterMet has the ability to retain 49%** of the uranium rights for each project once the initial exploration commitment to reach 51% has been reached. This provides InterMet with excellent exposure to the uranium potential of these projects, whilst InterMet concentrates its exploration focus on the copper-gold and base metal potential of its flagship Lake Gilles Project and the Archaean greenstones of the Coulta Project.

Managing Director Gary Ferris stated that “InterMet has entered into these strategic joint ventures for uranium to maximise the exploration expenditure on each project and allow InterMet to focus its energies on its key copper-gold and base metal projects whilst allowing specialist uranium explorers to search for uranium on our tenements”.

Table 1 Summary of InterMet’s Uranium Projects and Joint Venture Partners

Project	Tenements	Area (km ²)	Target – Uranium mineralisation model	JV Partner
Watson	EL 3313 EL 3323 ELA 379/06	2,391	Palaeochannel-hosted uranium	Uranium Equities Ltd
Cocata	EL 3462 EL 3463	1,210	Palaeochannel-hosted uranium, Unconformity-related uranium	Uranium Equities Ltd
Coulta	EL 3314 EL 3702	2,000	Palaeochannel-hosted uranium	WCP Uranium Ltd
Lake Gilles	EL 3467 only	260	Unconformity-related uranium	Hindmarsh Resources

Below is a summary of the terms of each joint venture and an exploration update:

Watson Project

The Watson Project joint venture covers two granted tenements (EL3323 and EL3313) and a new Exploration License Application (ELA 379/06) totaling 2,391km². Under the joint venture, Uranium Equities (ASX:UEQ) can earn an 80% interest in the Watson Project from InterMet by expending \$1M within four years on exploration within the tenements. Uranium Equities may earn an initial 51% interest upon expending \$500,000 **at which time InterMet can elect to contribute pro-rata and maintain a 49% interest.** Uranium Equities may withdraw at any time after an initial appraisal period provided it has expended at least \$100,000.

The Watson Project contains potential uranium-bearing granites, extensive areas of carbonaceous and lignitic material contained in palaeochannels that are highly charged with groundwater, together indicating good potential for rollfront uranium mineralisation.

Twenty six holes have been completed and results have included 70ppm uranium in drill cuttings and up to 602 ug/l in water samples. These results confirmed the presence of significant anomalous uranium within the groundwater and increased the confidence in the prospectivity of the palaeochannel (ancient river) system.

Best results received include:

Drill Hole	Sample Type	Depth (m)	U	Th
EWB004	Cuttings (sand)	24-26	34 ppm*	12 ppm*
EWB005	Cuttings	28-30	20 ppm*	14 ppm*
EWB015	Cuttings	76-78	32 ppm*	14 ppm*
EWB017	Cuttings	52-54	70 ppm*	12 ppm*
EWB017	Water	70	244 u/gl**	4.6 u/gl**
EWB019	Water	100	602 ug/l**	6.5 ug/l**

*Assay by XRF – Amdel code XRF 1

** Amdel code WAT3M

Cocata Project

The Cocata Project joint venture comprises highly prospective tenements totaling 1,210 km² in the central Eyre Peninsula part of the Gawler Craton. InterMet holds a significant part of the Yaninee Palaeochannel, in which previous drilling has intersected a thick sequence of oxidized sands with carbonaceous layers. This along with the presence of potential uranium-bearing granites in the area indicates an environment conducive for uranium deposition.

Uranium Equities can earn up to an 80% interest in the Cocata Uranium Project from InterMet by expending \$2M within 5 years on exploration within the tenements. Uranium Equities may withdraw at any time after an initial appraisal period provided it has expended at least \$175,000 and met the expenditure conditions on the tenements. **InterMet may elect to contribute pro-rata to expenditure once Uranium Equities has earned a 51% interest upon expenditure of \$0.75M.**

Uranium Equities will be undertaking a regional 1 km x 1 km gravity survey across most of the project area aimed at delineating the palaeochannels. This will be followed up by drilling in the second quarter.

Coulta Project

InterMet has executed a joint venture with WCP Uranium Ltd (ASX:WCP) for palaeochannel hosted uranium exploration on InterMet's Coulta Project. Under the joint venture, WCP can earn up to an 80% interest in palaeochannel uranium only on the Coulta Project (EL 3314 and ELA 235/06) from InterMet by spending \$1.5M within four years on uranium exploration. **InterMet may elect to contribute pro-rata to expenditure once WCP has earned a 51% interest upon expenditure of \$0.75M.**

This project area contains the Wanilla Palaeochannel. Granites within the Lincoln Uplands located east of ELA 230/06 are known to contain uranium within joint surfaces, and erosion of these rocks would release this uranium into solution. Lignite or carbonaceous rich sands within the Palaeochannel provide an excellent environment for the deposition of uranium.

Recent drilling by InterMet intersected the palaeochannel sediments and these samples will be submitted for laboratory analyses within the coming weeks by WCP. With the granting of EL 3702, WCP will commence on ground exploration within the next quarter. The recently flown aeromagnetic/radiometric survey by InterMet has provided new data and will greatly assist in delineating palaeochannels and surface radiometric anomalies.

Lake Gilles (Corunna) Project

InterMet has entered into a joint venture Heads of Agreement with Hindmarsh Resources Ltd (ASX:HMR; Hindmarsh) to seek uranium deposits at the Corunna North Project (Exploration Licence 3467) located 70km southwest of Port Augusta, South Australia.

The Corunna North tenement is prospective for Unconformity-Related uranium with high grade deposits of this style of mineralization occurring in locations such as Ranger, Kongarra and Jabiluka in the Alligator Rivers area of the Northern Territory and Rabbit, McLean and Cigar Lake uranium mines in the Athabasca region of Canada.

The terms of the Heads of Agreement for the joint venture agreement include Hindmarsh can earn a 51% interest in EL 3467 by expending \$200,000 on uranium in the first 2 years. Hindmarsh can earn an 80% interest in EL 3467 by expending \$600,000 on uranium exploration within 4 years. Hindmarsh can withdraw from the Joint Venture at anytime provided it has spent \$50,000 and met all tenement expenditure conditions.

Search Exploration has completed 10 of the originally planned 16 IP traverses, for a total of 31.2 line kilometres of data. The data was collected in two campaigns using a dipole-dipole configuration. The first campaign, undertaken in late August and early September 2006, used a 100m transmitter dipole with 100m receiver dipoles and two long traverses were collected to assess the viability of the technique (6386000nW & 6385000nW). After a positive assessment of the data a further 8 traverses were collected in December of 2006 using a 200m transmitter dipole and a 100m receiver dipole configuration. The increased size of the transmitter dipole was undertaken to improve the quality of the signal strength for the deeper dipoles.

The results show several features which may potentially represent carbonaceous sediments within the basement which are the preferred trap sites for unconformity-related uranium mineralization. Figure 2 shows a chargeable source at 692050e which is not coherent, and the body is considered a high priority anomaly. It is adjacent to a fault (691800e) and appears to have a moderate low resistivity perturbation in the cover that is indicative of preferential weathering.

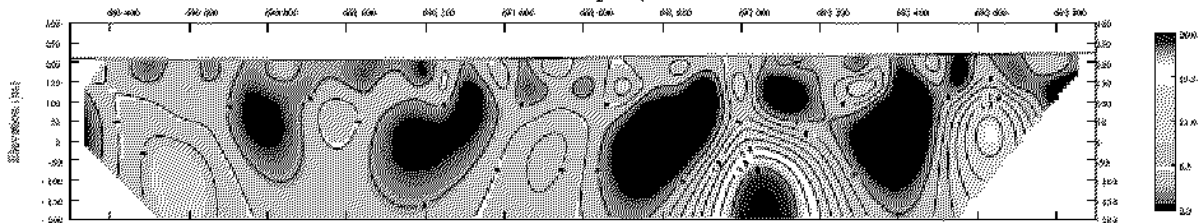


Figure 2 IP data for Line 639000N from EL 3467

Summary

InterMet is well placed to take advantage of the uranium exploration potential on its tenements, with four key uranium projects under joint venture. InterMet has the ability to retain a 49% interest in each project with the exception of the Corunna JV with Hindmarsh Resources and exploration has commenced on each project.

The information in this report that relates to Exploration Results is based on information compiled by Mr. Gary Ferris, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Ferris is the Managing Director of InterMet Resources and has sufficient relevant experience to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Gary Ferris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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